

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill increases the income eligibility of the low-income energy assistance program from 130% of the Federal Poverty Limit (FPL) to 150%.

There are 37,753 households who currently receive assistance or 36.8% of the all eligible households in that income category. Assuming the same participation rate, 22,555 additional households would likely apply and qualify. Additional eligibility workers would be needed. The eligibility for energy assistance is based on income; there isn't a resource test. The annual processing time is estimated to be two hours. For three quarters of FY 2022, the cost for seven social service workers and a supervisor would be \$404,608; for a full year in FY 2023, the cost for nine social workers and a supervisor would be \$575,898. These costs would be from General Funds.

The low-income energy assistance program is funded through a federal block grant. The grant does not increase with eligibility increases. Some level of reduction would occur to those who current qualify. This could be a reduced benefit for heating, cooling or repairs to heating and cooling equipment or no funding at the end of the federal fiscal year. General Funds could be used to provide the same assistance. Based on the average payment per household, the cost would be \$18 million.

Currently nine percent of the federal grant is provided for weatherization. The additional 1% would increase weatherization funds by \$302,132. This would reduce the amount available for heating and cooling assistance.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 306	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY: Ann Linneman	DATE: 1-26-2021	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Department of Health & Human Services' assessment of fiscal impact.			

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-26-2021

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	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	\$1,134,7112		\$1,512,347	
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	\$1,134,712		\$1,512,347	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

LB 306 changes the eligibility requirements of the Low Income Home Energy Assistance Program (LIHEAP) to allow households with an income level of 150% FPL (previously 130%) to be able to participate in the program.

If the number of households in need of assistance between 131% and 150% of the FPL is significant, households below 130% of the FPL may experience: reduced or eliminated supplemental payments; reduced heating benefit levels; reduced cooling benefit levels; reduced funding available for households in crisis situations; reduced funding for repairing or replacing heating/cooling equipment; no remaining funds prior to serve households prior to the end of the energy year; or a combination of the aforementioned. The LIHEAP grant does not increase with an increase in population. With the new population (131 to 150% FPL), benefits per household will decrease for the existing households enrolled (below 130% FPL).

Increasing the FPL and the number of households served will increase the amount of staff time required for the administration of the program. In Federal Year 2020, there were 102,423 people (37,753 households) who received LIHEAP benefits (out of 278,122 people under 130% FPL). There are approximately 61,246 people in the state of Nebraska that are between the 130 to 150% FPL. Using the same ratio of people approved versus total population (36.83%), it is estimated that there would be 22,555 new people in the program (8,313 households). Each case requires 5 hours of work per year (including initial review and updates). The new workload will require 21 additional Social Service Workers, and 2 Supervisors (starting October 1, 2021).

NFOCUS system changes will also be required. It is estimated at 10 hours of work at \$45 per hour (\$450).

Because DHHS uses the full available amount of the LIHEAP grant each year for administration costs, any new staff would need to be paid with general funds.

DHHS will be required to complete a major rule and regulation change as a result of LB 306. DHHS will absorb the estimated costs listed below to complete this regulation change. Absorbed rule change expenses should be added to a no fiscal impact fiscal note if applicable. These do not add any expenses into the total line, but are a way to track absorbed costs for the agency.

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	\$ 74.28	\$ 297
Deputy Director	4	\$ 53.48	\$ 214
Administrator I	4	\$ 30.82	\$ 123
Program Specialist	8	\$ 22.52	\$ 180
Program Analyst	16	\$ 21.91	\$ 351
Attorney III	30	\$ 33.82	\$ 1,015
<b>Total Costs</b>	<b>66</b>		<b>\$ 2,180</b>

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
Social Service Worker	15.8	21	\$577,821	\$770,428
Social Services Worker Supervisor	1.5	2	\$70,422	\$93,895

Benefits.....		\$232,395	\$309,859
Operating.....		\$254,074	\$338,165
Travel.....			
Capital Outlay.....			
Aid.....			
Capital Improvements.....			
<b>TOTAL.....</b>		<b>\$1,134,712</b>	<b>\$1,512,347</b>